



STATE OF INDIANA

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MEMORANDUM

TO: Agency Heads

FROM: Katherine L. Davis, Chairperson
Data Processing Oversight Commission

Laura Larimer, Executive Director
Data Processing Oversight Commission

SUBJECT: Agency Delegation Authority

DATE: August 19, 1996

1. Purpose:

This memorandum delegates to agencies, commissions, and departments that are under the purview of the State Data Processing Oversight Commission (DPOC) the authority to procure certain information technology (IT) goods and services. This memorandum also outlines the conditions within which this delegated authority must be exercised. This memorandum does not relieve state agencies of the requirement to obtain the approval of other offices involved in the procurement IT goods and services.

This memorandum takes effect immediately and will remain in effect unless otherwise superseded or rescinded.

2. Background:

The balance between providing agencies with as much flexibility as possible in procuring information technology goods and services while at the same time ensuring that state government, as a business enterprise, receives the greatest value for its technology dollars is, at best, difficult to achieve. This memorandum, which is a step towards achieving that balance, increases delegation authority to allow agencies to acquire certain IT goods and services while still ensuring that the independent acquisition of such goods and services will not impact the state's ability to construct an enterprise-wide IT infrastructure or to realize the best return on its IT investments. The "balance" referenced above can be achieved when all entities are able to operate within a common

information technology architecture. For the purpose of this paper, architecture is defined as "community developed standards, guidelines, and statements of direction that constrain the development of current systems for the purpose of eventual integration." As we move forward as a community and build common information technology architecture, the ability to increase delegation levels without compromising the goals of the enterprise will become easier to achieve.

In working toward that balance, technology procurement decisions, whenever possible must be made in both the best interest of the requesting agency and the best interest of the enterprise we call state government. On those very rare occasions where the best interests of both entities can not be achieved, the enterprise view must take precedence.

3. References:

A chronological list of applicable references pertaining to information technology procurement and management within the executive branch of state government is provided at enclosure 1 to this memorandum. The complete text of each of these references, as well as the text of this memorandum, will soon be available in electronic format at the state's Intranet web site: <www.isd.state.in.us/dpoc>. A copy of each referenced document is also available upon request at the DPOC office.

This memorandum supersedes Financial Management Circular #93-1 (reference 9) and DPOC Memorandum, dated March 6, 1994, subject: DPOC Delegation Authority (reference 8). This memorandum is aligned with the recommendations regarding the acquisition of information technology goods and services proposed by the State of Indiana Procurement Quality Action Team (reference 2) for improvement of the state procurement process.

All other references listed in enclosure 1 remain applicable to entities under the purview of DPOC.

4. Conditions for Delegation:

- a. The delegation authority granted under this memorandum is organized into eight separate IT areas. These areas are individually covered in paragraphs 5 through 12 below. The following general conditions are applicable for all information technology procurements granted under this memorandum, regardless of IT area.
 - (1) The State DPOC Information Technology Architecture (reference 4) must be followed.
 - (2) The State DPOC Standards for Data Communications (reference 1) must be followed.
 - (3) Any new community developed DPOC standards or modifications to existing standards must be followed.
 - (4) Hardware to be purchased and applications planned for development or major re-write must be year 2000 compliant.

- (5) The Access Indiana Information Network (AIIN) must be used as the vehicle for providing electronic access to state data via the Internet.
- (6) Except as noted in paragraph "e" below, large projects whose total dollar value would otherwise require DPOC approval will not be broken into smaller increments or allocated across multiple years just so they can be procured within the separate IT area delegation guidelines.
- (7) The delegation authority granted via this memorandum does not remove the requirement to gain approval from other oversight entities like the State Budget Agency or the Procurement Division, Department of Administration.

a. Input from state entities on modifying or enhancing the standards documents cited above, plus any of the other references listed at enclosure 1, is both encouraged and appreciated. These documents should reflect the realities of the technology and business world in which we live.

b. Specific conditions relating to each of the eight delegation areas are included, as appropriate, in the numbered section dealing with that area. Care must be taken to review each IT area in detail and to ensure that all the specific conditions are understood. Questions on any of the limiting conditions should be directed to the DPOC staff. If you follow the special conditions listed, you may procure up to the dollar limit indicated. Otherwise, the request must be forwarded to DPOC for approval.

c. Since DPOC will be coordinating with State agencies the development of a state-wide direction and development of policy and standards for the use of emerging technologies in state government, delegation authority is not granted for projects involving: imaging, data warehousing, video conferencing, or electronic data interchange. As such projects are proposed and discussed with DPOC, agencies with a similar interest in an identified technology will be asked to participate in the development of a state-wide strategic direction for each of these technology areas.

d. It is requested that State agencies under DPOC purview provide to DPOC a copy of the Executive Document Summary (EDS) for all application development and maintenance contracts and all personal services contracts if the service is procured from other than the IDOA Professional Services QPA or from ISD, IDOA. No other reporting requirements are applicable at this time.

e. Combining delegation areas into a single larger "project" is permitted. A "project" encompasses two (2) or more of the IT areas listed in sections 5 through 12. The delegation level assigned per IT "project" is \$200,000.

5. Delegation Authority - Data Center (DC)

a. Definition - Data Center (DC): this includes all mainframe computers, all mid-range systems running application systems, mainframe and mid-range software, and all associated peripherals.

b. Delegation Level: \$25,000

Special Conditions/Remarks: Due to the data center consolidation project, delegation authority beyond \$25,000 is not being given at this time.

6. Delegation Authority - Distributed Systems Management (DSM)
 - a. Definition - Distributed Systems Management (DSM): includes all personal computers, workstations, local area networks (LAN), small and large servers, associated operating system software, commercial-off-the-shelf (COTS) personal computer software, and all associated peripherals. Routers are not part of DSM.
 - b. Delegation Level: \$100,000
 - c. Special Conditions/Remarks:
 - (1) You may procure up to \$100,000 of microcomputers and printers if you procure them from an established IDOA Quantity Purchase Agreement (QPA). Laptop computers may be procured up to the \$100,000 amount if procured from the IDOA QPA and if all requirements of Financial Management Circular #94-2 are met.
 - (2) Delegation applies to desktop software available via a Master Licensing Agreement (MLA), an agency standard desktop software list or an agency preferred products list.
 - (3) All servers (large and small) and network operating system software are presently excluded from delegation due to their potential role in the State's information technology architecture. The stated direction of pursuing standards based client server computing will become an expensive undertaking, and servers will play a critical role in this architecture.

Server maintenance, efficient distribution of server applications, network management, and network security are areas that may best be planned from a state-wide perspective, rather than a single agency perspective. DPOC staff will be exploring with state agencies how to best leverage these assets to benefit both the agency and the enterprise.

7. Delegation Authority - Application Development and Maintenance (ADM)
 - a. Definition - Application Development and Maintenance (ADM): includes development, maintenance, support and enhancement of all applications, turnkey systems and development tools, regardless of platform.
 - b. Delegation Level: \$100,000
 - c. Special Conditions/Remarks: Agencies remain accountable for performing maintenance on their own application systems. Normal application system maintenance is authorized without regard to cost, provided that it involves the use of existing agency resources. Applications to be developed, revised, or maintained by initiation of a separate contract for non-agency resources in excess of \$100,000 will require DPOC review and approval. Agency projects initiated under this delegation will not bind DPOC to approve continuation or extension beyond the initial \$100,000.

8. Delegation Authority - Telecommunications (TEL)

- a. Definition - Telecommunications (TEL): includes all software, hardware, and tools for data, voice, and video projects and applications;

includes network management hardware, software, training, and consulting; also includes all communications servers.

b. Delegation Level: \$100,000

c. Special Conditions/Remarks

- (1) Telephone equipment and peripheral equipment/services must be purchased via QPA or directly from ISD, DOA.
- (2) For all TEL related procurements ISD, DOA, must be consulted and must concur with the configuration and implementation of the system, services, and equipment prior to exercising this delegation.
- (3) Delegation applies to actions approved by DPOC for the acquisition of all other telecommunications services available from ISD, including but not limited to pagers, automatic call distribution, Centrex, long distance services, voice messaging, voice response, and SIGN (State of Indiana Government Network) network services.
- (4) Procurement of routers or of network management hardware, software, training, or consulting services is not delegated at this time.

9. Delegation Authority - Hardware and Software Maintenance Contracts and Renewals

a. Delegation Level: \$25,000 if new contract; \$100,000 if renewal of a contract previously approved by DPOC.

b. Special Conditions/Remarks:

- (1) This delegation does not apply to network management hardware, software, or telephone system maintenance.
- (2) Initial (new) contracts for hardware or software maintenance, if over \$25,000, require DPOC review and approval. Terms and conditions for product out-year maintenance are established in the initial contract for maintenance. DPOC historically has added value to review of initial contracts. Examples include: recommending the consolidation of several potential contracts into a single contract thereby saving dollars; ensuring that an annual maintenance price increase is consistent with industry trends; ensuring that the best interests of the state are met.
- (3) Annual renewal of hardware and software maintenance contracts up to \$100,000 previously approved by DPOC do not require DPOC review if consistent with the initial terms for renewal. A renewal is considered to be either an extension of an existing contract or, due to expiration of contract term, the establishment of a subsequent contract (a new contract) with the same vendor, for the same maintenance service.

10. Delegation Authority - Personal Services Contracts

a. Definition - Personal Services Contracts: includes contracts for one-time services such as equipment installation, IT Plan development, project management, risk management, feasibility study, application maintenance/development, etc.

b. Delegation Level: \$100,000 if from the Professional Services QPA vendors, or from ISD, DOA; \$25,000 for all others.

c. Special Conditions/Remarks: State agencies have delegation approval for personal services contracts up to \$100,000 if purchased from the Professional Services QPA vendors or from ISD, DOA. All other requests for personal services contracts are delegated up to \$25,000. In the interest of promoting fair and open competition, repetitive \$25,000 procurements of the same consulting service should be avoided. Network management is not included in this delegation.

11. Delegation Authority - Request for Information (RFI), Request for Proposal (RFP), Broad Agency Announcement (BAA) and Quantity Purchase Agreement (QPA)

a. Delegation Level: \$25,000 (RFIs and BAAs only)

b. Special Conditions/Remarks:

(1) DPOC review is required for all RFIs and BAAs in which the cost will exceed \$25,000.

(2) All IT related RFPs and QPAs must be reviewed and approved by DPOC prior to release.

12. Delegation Authority - Internet Access

Special Conditions/Remarks: Agency heads are delegated authority to approve Internet access for agency staff under the following conditions:

(1) Agency adheres to the DPOC "Internet Access and Acceptable Use" policy (see reference 3) to ensure protection from inappropriate resource use, security risks, and legal liability. Agencies are responsible to ensure that employees use the resource for official agency use only.

(2) An agency Internet Point of Contact (POC) is appointed and this POC is trained in the use and installation of Internet protocols and software. ISD's Computer Learning Center will provide this one-time training, at no cost, for one POC per agency.

(3) Appropriate employee training is provided.

Enclosure

Applicable Delegation References copy furnished:

Agency MIS Directors or equivalent